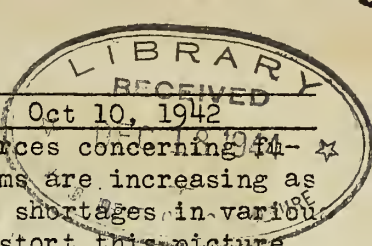


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UNITED STATES DEPARTMENT OF AGRICULTURE
Agricultural Marketing Administration



NO. 37

AMA "WAR BOARD" Letter Wash. D. C.

Oct 10, 1942

DISTRIBUTION PROGRAMS: Inquiries from the Press and other sources concerning future of food stamp School lunch and direct distribution programs are increasing as it becomes obvious that there will be fewer surpluses and more shortages in various farm commodities. BUT, some statements are being made which distort this picture somewhat. The thinking here on the question for need of these distribution programs is essentially this:

(1) Even in times of shortages there still will be occasional seasonal and geographical gluts that will require action for relief of producers. For example, there is the situation with respect to apples in the Eastern and North Central section of the country right now. Heavy purchases are being made for direct distribution and school lunch, and apples are on the food stamp list.

(2) In the management of food supplies to be sure that what will be needed for war purposes will be available, it is necessary to have many methods for bringing economic forces to bear on certain commodities at a given time. That is, to insure that production will be maintained and that if necessary the demand load can be taken off certain commodities.

(3) Very important and receiving more and more attention as we go into wider rationing of food supplies is the problem of insuring that those people who cannot afford them get their full share of nutritious foods. This is necessary to the maintenance of the health, strength and morale of the country for war purposes. It is felt that the time may come when the food stamp plan will fit right in with rationing in this respect.

It is suggested that AMA WB members be on the alert for further thinking along these lines when AMA Administrator Hendrickson returns from England, where he hopes to go soon. England has gone much further than this country so far to assure that there is an equitable distribution of scarce nutritious foods-not as a social welfare service alone, but to maintain the health and strength of the people for war and to see that no food is wasted.

The Marketing Reports Division of AMA will issue statements on the purposes and importance of the various distribution programs in our war economy within a short time.

Meanwhile, as noted in AMA WB Letter No. 36, several experimental distribution programs were recommended to the new Regional Administrators during their conference here last week. These included:

Small experiments in one or two cities or areas in each region to determine possibility of making Food Stamp program more effective as means of moving specific commodities. i.e. (1) a single food stamp to be used only for foods on some special list designated by the Secretary and requiring participants to purchase part of stamps received; (2) two or three colors of stamps (variation of present program), the orange to be bought and used for any food and the others to be bought in part and in part free for purchase of a special list of commodities; (3) use of special stamps good for only a particular commodity or group of commodities; (4) establishment of a flat \$2 per person issuance; (5) local experiments with supplying school lunches with Food Stamp program, particularly in areas where transportation situation is most acute; (6) possible resale of AMA-owned commodities through retail stores at prices approved by AMA.

Other experiments recommended included certification of draft dependents for Food Stamp program, inclusion of pregnant mothers for additional milk at reduced prices, and establishment of special canteens in congested areas, operated on cost basis, with AMA selling some foods or supplying milk at child care centers.

FIELD PURCHASE OPERATIONS: Apples: Total purchases to date (Oct. 9) 1,058,368 bu. Purchases during past week, (Oct. 2-9) covered following: Connecticut, 2,348 bu; Delaware, 11,508 bu; Maine, 583 bu; Maryland, 7,800 bu; Massachusetts, 9,152 bu; Michigan, 15,776 bu; New Hampshire, 2,717 bu; New Jersey, 6,255 bu; New York,

22,590 bu; Ohio, 24,340 bu; Pennsylvania, 38,289 bu; Virginia, 25,752 bu; Vermont 2,516 bu; West Virginia, 20,928 bu. All purchases were made at \$1.25 per bu. except 3,096 bu. in Virginia and 82 bu. in West Virginia, wrapped for storage, purchases at \$1.30 per bu.

As noted in AMA WB Letter No. 36, all truck crop purchase programs ended Sept. 30 except cabbage purchases in North Carolina where 5,028 bags of 50 Lb. each were bought during past week.

Oct. pineapple purchase program began in Puerto Rico with 2,226 crates bought at \$1.75 per crate during past week.

AUTHORIZED: Purchase programs for squash in Massachusetts and New Hampshire and Sweet potatoes in North Carolina. While it is intended that 50 cars of each commodity will be purchased, this may be limited in case of North Carolina sweets because of lack of sacks. This situation resulted in curtailment of cabbage purchase program there somewhat.

SAUERKRAUT DIVERSION-PURCHASE PROGRAM: (See AMA WB Letter No. 34) Has been extended to two additional states, Missouri and Kentucky. Meanwhile, 27 firms operating a total of 39 plants have been granted diversion authorizations on claims covering 202,713 barrels of kraut. The diversion authorizations were granted after the firms agreed to pay cabbage producers at least \$7.50 per ton for domestic type cabbage delivered at their plants. They are located in New York, Wisconsin, Ohio and Illinois.

PEANUT PRICES: Increases of five to eight dollars per ton to bring prices of "quota" peanuts up to loan values established at 90 per cent of parity by the new price stabilization Act have been announced by USDA. New prices will be paid producers who sell "quota" peanuts under the AMA 1942 Peanut Marketing Program. No changes were made in prices of "excess" peanuts under Marketing Program because present prices of such peanuts are substantially above minimum level required by price stabilization Act. Regional Administrators in peanuts states have been sent supplies of new price announcement which includes schedule of prices.. CCC loans on cotton, tobacco and rice also were raised from 85 to 90 per cent of parity at authorization of President Roosevelt under new price stabilization act. No increases were authorized in loan rates on wheat and corn.

HOG MARKETINGS: have dropped considerably in past two weeks. At ten leading Corn Belt markets and in the interior Iowa and Southern Minnesota direct trade hog receipts at terminal markets the week ended October 2 were 424,400 head compared with 486,600 the same week last year. A similar drop occurred during the week just past. The situation is interpreted here as result of producers awaiting action under price stabilization Act before marketing. Concern is expressed, however, that if situation continues it will result in serious market jam and subsequently lower prices later on. Recommended that this be called to attention of producers and that they be urged to market finished hogs now.